

~~SECRET~~  
TRADE CONTROLS BRANCH  
MONTHLY REPORT FOR  
July 1958

A. Accomplishments

1. A very large proportion of the S/TD's effort during July was devoted to intelligence support of the final negotiations on review of the International Export Control Lists in COCOM, CG and Washington. The principal achievements were as follows:

✓ a. A report was prepared for the use of the AD/RR, at the termination of the review of International Lists in COCOM, showing the status of each item which had been discussed there.

✓ b. At the request of the chairman of EDAC, the 72 "disagreed" items and the 70 items referred to the COCOM "pending list" were sorted into three groups, A-B-C, in the order of their relative importance to the economic defense program. These evaluations were prepared for Chief, D/S in connection with his briefing of the DCI for his meeting with the Secretary of State, and for the DDI who was the CIA member of the US delegation to CG.

✓ c. At the request of the chairman of EDAC, a list of 32 items was selected (from the currently disagreed and pending list items) which were best suited for a COCOM "watch list." This list was used by the CIA representatives to the EDAC Executive Committee and EDAC which determined the United States proposal for "secondary controls."

✓ d. At the request of the chairman of EDAC, the proposals of the Atomic Energy Commission with respect to changes in the 35 items presently constituting the International Atomic Energy List were reviewed, with participation of other components of ERA, from the point of view of supply in the Sino-Soviet Bloc. These data were sent to OSI/NED as a contribution to the CIA review of the Atomic Energy List.

✓ e. For use of the CIA representative at EDAC WG I, approximately 20 new definitions and control proposals developed in COCOM were reviewed, with ERA assistance, ~~from a security point of view~~, and in several cases additional information was presented.

2. Intelligence support was furnished by CIA representatives on interagency committees as follows:

~~SECRET~~

- 2 -

ACEP Operating Committee - 6 Polish exceptions cases, 4 other cases of shipment of strategic materials to the Sino-Soviet Bloc, and 1 rating case.

EDAC Executive Committee - 1 Polish exceptions case involving an Atomic Energy List item.

EDAC Working Group I - 4 exceptions cases.

✓ 3. The annual report of EDIC for 1957-58 was drafted, and following reports were coordinated, edited and distributed:

1. EDIC/ID-37 The Tire Industry in the Sino-Soviet Bloc;
2. EDIC/ID-38 The Petrochemical Industry in the USSR;
3. EDIC/ID-39 Sino-Soviet Bloc Nickel Position - 1957;
4. EDIC/AM-33 Proposed Merger of the Economic Defense Intelligence Committee as a Subcommittee of the Economic Intelligence Committee, was drafted for review and consideration.

4. Acting Chief, S/TD participated in the OPAL Test Exercise, 16 July 1958 through 18 July 1958, as Assistant Director (Intelligence) to OEWA, and reported on the operation through Chief, D/S to Assistant for Special Projects, OAD/RR.

5. Two DCP memoranda were prepared during the month. One concerned Soviet Bloc interest in increased development of Afghanistan beryllium resources, and the other an attempted shipment of large quantities of surplus U. S. army equipment to Bloc and Near Eastern destinations. Because of implied counter-espionage possibilities, this latter report was coordinated with the appropriate office of DD/P.

6. A recommendation was forwarded through Chief, D/S to Chief, I/GM for the development of a coordinated approach to the problem of East-West trade in commodities of guided missile significance. This recommendation supplied a summary of S/TD's activities in this field and suggestions for possible joint requirements of S/TD and I/GM.

7. Operational support was given to several different components of DD/P in connection with commodities and firms active in East-West trade. A DD/P analyst was introduced personally to officials of the Commercial Intelligence Division, Office of Economic Affairs, BFC, in order to acquaint him with the resources and capabilities of that Division for assistance in a DD/P operation. In another case, support was given to Commerce Department Investigation Staff concerning a source known to DD/P.

~~SECRET~~

SECRET

- 3 -

8. Support was given to the office of the DD/I in connection with four port security cases.

9. At the request of Chief, St/IA, a list of priority commodities was prepared for use as a guide to the interests of economic defense agencies for free world commercial travelers entering the Soviet Union.

10. Intelligence support was provided as necessary to EDAC WG II on 34 Administrative Action cases; two transaction cases were established on possible diversions of strategic materials to the Soviet Bloc; and 21 requests for name intelligence were serviced for the Departments of State, Treasury, and Commerce, and for DD/P, OCR, and OCR/IR and BR.

11. A total of 2,023 documents were scanned of which 117 were selected for multiple carding; nine evaluations were made of CS reports; and six clearances of CS and OO materials were secured at the request of member agencies of the Diversion Control Panel.

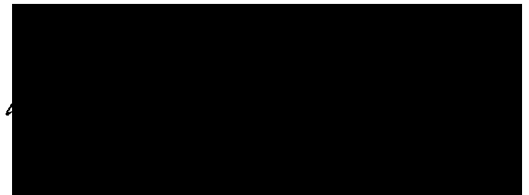
12. Meetings Attended: Port Security (2), ACEP Operating Committee (2), AD Hoc Subcommittee (1), EDAC WG I (4), EDAC WG II AAP (2).

B. Administration

25X1A9a

1. [REDACTED] was detailed on 14 July 1958 from S/TD/T to S/CST for six weeks.

25X1A9a



SECRET